



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 12, 1999

### **S. 558**

### **Government Shutdown Prevention Act**

*As ordered reported by the Senate Committee on Governmental Affairs on March 4, 1999*

#### **SUMMARY**

To avoid future government shutdowns, S. 558 would put in place an automatic continuing resolution for fiscal years 2000 and 2001 that would take effect if the Congress and the President fail to agree on regular or temporary appropriation bills by October 1 of each fiscal year. The appropriation for each project or activity would be the lower of (1) the previous year's appropriated level, (2) the amount proposed in the President's budget, or (3) the annualized level provided in the most recently enacted continuing resolution for that year. The bill also specifies various conditions and rules that would apply to the continuing resolution.

S. 558 would act as a fallback source of funding for activities at a restricted level, for as long as necessary, until regular appropriation bills or alternative continuing resolutions are enacted, thereby preventing a disruption in the routine activities of most federal agencies. By providing an automatic funding source for 2000 that would take effect without further legislative action, S. 558 would provide direct spending authority, and pay-as-you-go procedures would apply to the bill. CBO estimates that enacting S. 558 would provide budget authority of about \$550 billion in 2000, resulting in outlays of \$330 billion in 2000 and \$560 billion over the 2000-2004 period. By itself, the bill would not provide any new funding for 2001.

S. 558 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 558 is shown in the following table. For the purposes of this estimate, CBO assumes the bill will be enacted by the end of fiscal year 1999. The costs of this legislation fall within multiple budget functions.

	By Fiscal Year, in Billions of Dollars				
	2000	2001	2002	2003	2004
<b>DIRECT SPENDING</b>					
Estimated Budget Authority	550	0	0	0	0
Estimated Outlays <sup>a</sup>	330	130	60	30	10

a. Outlays include amounts for transportation programs that are controlled by annual obligation limitations set in appropriation acts. Such limitations are not considered budget authority.

## BASIS OF ESTIMATE

S. 558 would provide funding for fiscal year 2000 for projects and activities funded in 1999 appropriation acts. The appropriation provided for each project or activity would be the amount sufficient to continue funding for that project and activity at the lower of the rate of operations provided for in 1999 appropriation acts or the rate that would be provided for by the President's budget request for 2000. Upon enactment of an applicable regular appropriation bill or a continuing resolution for 2000, the appropriation for a project or activity provided by S. 558 would no longer be available.

Because scorekeeping guidelines adopted by the Congress and the Administration require that estimates of a bill not take into account possible future legislation, and no regular appropriation bills or continuing resolution for 2000 have been enacted, CBO estimates the effect that S. 558 would have if no appropriation bills providing funding for 2000 are enacted. In addition, though S. 558 would provide funding for discretionary programs, budget authority provided by law other than appropriation acts is defined as direct spending for purposes of budget enforcement. (If the same provisions were enacted in an appropriation bill, the resulting spending would be considered discretionary.)

CBO estimates that continuing projects and activities funded in 1999 appropriations acts would require new budget authority of about \$550 billion in 2000. (This figure does not

include almost \$10 billion already enacted as advance appropriations for 2000.) CBO estimates that the new budget authority for 2000 would result in outlays of \$330 billion in 2000 and about \$560 billion over the 2000-2004 period.

S. 558 also would provide funding in 2001 to continue projects and activities funded in appropriation acts for 2000 if regular appropriation acts or a continuing resolution for 2001 are not enacted. (The bill sunsets after 2001.) Since the appropriations for 2001 provided by S. 558 are contingent on appropriation bills for 2000 that have not yet been enacted, S. 558 by itself would not provide any new funding for 2001. Under the provisions of S. 558, however, enactment of appropriation bills for 2000 would trigger appropriations for 2001 to continue the projects and activities funded for 2000 in the appropriation acts.

## **PAY-AS-YOU-GO CONSIDERATIONS**

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. The bill would not affect governmental receipts.

	By Fiscal Year, in Billions of Dollars					
	1999	2000	2001	2002	2003	2004
Changes in outlays	0	330	130	60	30	10
Changes in receipts			Not applicable			

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 558 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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